

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY

**OCT 28 2015**

Date of filing in State Engineer's Office \_\_\_\_\_

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed June 15 2010 Under 79911

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)  
1726 Cole Blvd., Suite 115 of Lakewood  
Street Address or PO Box City or Town  
Colorado 80401 hereby make(s) application for permission to change the  
State and ZIP Code

- Point of diversion       Place of use       Manner of use       of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 72588

1. The source of water is underground  
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 5.0 cfs or 1280.0 afa  
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining, milling and domestic  
Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use
4. The water heretofore used for irrigation and domestic  
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)  
within the SW 1/4 of the SW 1/4 of Section 31, T.21N., R.51E., M.D.M., at a point from which the northeast corner of Section 24, T.21N., R.50E., M.D.M. bears North 3°21' West a distance of 15,260 feet. Well 226 as shown on the map accompanying Application 79911.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)  
within the SW 1/4 SW 1/4 of Section 22, T.19N., R.47E., M.D.B.&M., at a point which bears South 18°09'28" East 4223.74 feet from the northwest corner of said Section 22. Use map filed under 72580.

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 zw

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See Exhibit A attached hereto.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

~~S 1/2 N 1/2 and the N 1/2 S 1/2 of Section 21, T.19N., R.47E., M.D.B.&M.~~ S 1/2 section 15, S 1/2 N 1/2, a portion of the NW 1/4 NE 1/4 (35.19 acres), NE 1/4 NE 1/4 and N 1/2 S 1/2 Section 21, N 1/2 and SW 1/4 Section 22, N 1/2 Section 23 and the NW 1/4 Section 24 all in T.19N. R.47E. M.D.B.M.

per 11/23/15 letter from Agent

9. Proposed use will be from January 1 to December 31 of each year.  
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.  
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled well, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 3 years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary); (Failure to provide a detailed description may cause a delay in processing.)

See Exhibit B attached hereto.

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16. Miscellaneous remarks:

See Exhibit C attached hereto.

rdelikau@parsonsbehle.com

E-mail Address

775-323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

Ross E. de Lipkau

Type or print name clearly  
Ross E. de Lipkau

Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 W. Liberty St., Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

**Exhibit B****Remarks**

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management. The well, pursuant to this application, shall be utilized for construction purposes. The applicant intends, at the conclusion of construction, to change the point of diversion of this application to a production well.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

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Exhibit C**Miscellaneous Remarks**

This application, along with other related applications being filed contemporaneously herewith, are being filed provisionally. Kobey Valley Ranch, LLC ("KVR") believes that the correct course of action following the Nevada Supreme Court's September 18, 2015 Order on the appeal from State Engineer Ruling 6127 is for the District Court to remand the case to the State Engineer and for the State Engineer to conduct further hearings on the applications at issue in Ruling 6127. If those applications are determined by the District Court or the State Engineer to have been denied on account of the Supreme Court Order, then KVR will pursue these new applications. If, however, the State Engineer reopens the hearing for further action on the applications at issue in Ruling 6127, then the new applications will be withdrawn.

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